

UNITY AND STRENGTH FOR WORKERS

DISTRICT COUNCIL NO. 1

Jonathan Wolfel
District Representative

August 1, 2010

Mr. Leo Gerard, President
USW International Union
Five Gateway Center
Pittsburg, Pennsylvania 1522

Re: Immediate Assistance Requested

Dear President Gerard:

I am enclosing a press release regarding the allocation \$28 million from the American Reinvestment and Recovery Act (ARRA) to assist in the construction of a \$51.7 million dollar import cement terminal in Staten Island, New York.

This project will allow imported cement from Peru to flood the New York cement marketing area currently provided by cement manufacturing plants in New York, Pennsylvania and Maryland. USW members work at the majority of these facilities.

This project was on the books for several years, but delayed because Cementos Lima did not have sufficient capital to finance the project. However, our so-called "friends of labor" stepped in, and provided our ARRA tax dollars to a foreign company to move the project forward.

I have a very difficult time understanding that an elected official does not understand that the word "import" means "loss of jobs." These are the same representatives that denounced NAFTA and other trade agreements that resulted in millions of American workers losing their jobs. Enactment of the ARRA was about creating jobs and rebuilding our deficient roads and bridges. To date, very little ARRA funds have been dedicated for these projects. In this case, an "import cement terminal" was supported by elected representatives without the wisdom of its long term impact on jobs and the use of American made products. When this project is complete, the cement employers that currently provide portland cement, made by USW and IBB union members, to this market, will be adversely impacted.

Keystone Cement Company recently completed a \$200 million modernization and expansion of its Bath, Pennsylvania cement manufacturing plant. If Keystone elected not to make this investment, the facility would have been permanently shut down and 170 USW members would be out of work. Keystone made the investment believing that the Stimulus Package would result in rebuilding our roads and bridges. Keystone's modernization project resulted in the permanent loss of some jobs, but provided long term employment for the great majority of union workers at the plant. Accordingly to the Keystone Cement officials, the completion of the Staten Island project will result in additional layoffs and/or permanent job reductions.

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

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Recently, Lafarge North America announced a major expansion and modernization project at its Ravena, New York cement manufacturing plant. Members of USW Local 4-00429 provide the production and maintenance work at this facility. During our last contract negotiations, we discussed the project in great detail and structured our labor agreement accordingly. The project is currently on hold because of reduced cement demand. The Staten Island project will cause Lafarge to re-evaluate the project as a result of 880,000 tons of cement annually to New York City from Peru. It is safe to say that the World Trade Center will be built with foreign cement and financed with American tax dollars. The Labor Movement cannot blame President George Bush for this one!

Several years ago, Lehigh Cement Company in Union Bridge, Maryland invested \$450 million to expand and modernize its cement plant. Currently, this plant and its workers represented by USW Local 8-00031 manufacture and supply portland cement to New York to rebuild the former World Trade Center site. With 25-30 ships landings from Peru to New York a year, it goes without saying that the additional cement coming from Peru to New York will lessen the need for cement coming from this facility.

Project spending is under consideration by a variety of cement manufactures in the United States. However, the current demand for cement curtailed development plans. Additional imported cement will certainly impact their decision to go forward with any undertaking.

We have very few good paying and union manufacturing jobs remaining. Since 2008, sixteen cement manufacturing plants have permanently shutdown. The majority of these facilities were represented by the USW and IBB. Importers of any product should not be financed by our government and our tax dollars. Our elected officials must pay closer attention to detail and the long term impact their decisions have on the American workforce.

It may be too late, but I know you are a strong advocate to save and create good paying jobs in the United States. If anything can be done, you are the person with the wisdom and contacts. Whatever can be done to halt the \$28 million ARRA package to this company must be given top priority.

I am confident that America will eventually rebuild. When it happens, we all want to participate in the rebuilding process and be proud that we did it with American and union made products.

Fraternally,


Jonathan F. Wolfel

District Council No. 1 Representative

to thank Seth Pinsky and NYCCRC for working so diligently with my office to move this great economic development initiative forward."

"For decades, manufacturers fled New York City. It is high time we reversed this trend and encouraged more industry through programs such as this to re-enter our market, provide much-needed jobs, and once again be a vital part of our economy," said Borough President James P. Molinaro. "I congratulate Chairman Pinsky for shepherding this innovative bonding mechanism and moving this project forward. This is a fine display of good government."

"I wholeheartedly applaud the awarding of Recovery Zone Bonds to Staten Island Terminal, LLC, a company that exemplifies a good corporate citizen," said Senator Diane J. Savino. "The terminal, which will create well-paying union jobs, as well as boost the local economy in an environmentally sound fashion, is exactly the type of project that should be awarded. My office has worked closely with Staten Island Terminal, LLC, for over three years, and we are glad to see that their hard work has paid off."

"I commend the NYCCRC for approving this innovative investment in the North Shore community. This project will boost Staten Island's construction industry, create jobs and help put our local economy back on track," said Assemblyman Matthew Titone.

About NYCEDC

New York City Economic Development Corporation ([NYCEDC](#)) is the City's primary vehicle for promoting economic growth in each of the five boroughs. NYCEDC's mission is to stimulate growth through expansion and redevelopment programs that encourage investment, generate prosperity and strengthen the City's competitive position. NYCEDC serves as an advocate to the business community by building relationships with companies that allow them to take advantage of New York City's many opportunities. Find us on [Facebook](#) or follow us on [Twitter](#) to learn more about NYCEDC projects and initiatives.

About NYCCRC

The New York City Capital Resource Corporation ([NYCCRC](#)) is a local development corporation administered by New York City Economic Development Corporation. The mission of NYCCRC is to encourage community and economic development and job creation and retention throughout New York City by providing lower-cost financing programs to qualified not-for-profit institutions and manufacturing, industrial, and other businesses for their eligible capital projects.


About the Five Borough Economic Opportunity Plan

[The Five Borough Economic Opportunity Plan](#) is a comprehensive strategy to bring New York City through the current economic downturn as fast as possible. It focuses on three major areas: creating jobs for New Yorkers today, implementing a long-term vision for growing the city's economy, and building affordable, attractive neighborhoods in every borough. Taken together, the initiatives that the City has launched to achieve these goals will generate thousands of jobs and put New York City on a path to economic recovery and growth.

[BACK TO TOP](#) 

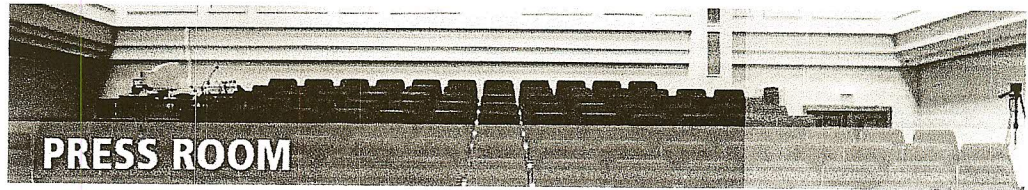
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Press Releases

NEW YORK CITY CAPITAL RESOURCE CORPORATION APPROVES \$28 MILLION IN RECOVERY ZONE BOND ASSISTANCE FOR STATEN ISLAND TERMINAL, LLC

April 13, 2010

Staten Island Terminal will provide up to 800,000 tons of cement annually to New York City and create 200 construction jobs and 125 permanent jobs

CONTACT

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The Board of the New York City Capital Resource Corporation (NYCCRC) today approved Staten Island Terminal, LLC to receive an allocation of up to \$28 million in Recovery Zone Facility Bonds to assist in the construction of a \$51.7 million cement import and distribution facility located in the Elm Park section of Staten Island. The financing will assist in the development, construction, and installation of an approximately 18,000-square-foot cement and aggregate distribution center, a 1,000-square-foot employee center, a 3,000-square-foot load out center, and a 28,000-square-foot pier attached to the bulkhead with a 6,000-square-foot bridge, as well as the installation of major machinery and equipment to unload ships coming into the pier. Once completed, the project will deliver up to 800,000 tons of ready-mix cement annually to the metropolitan area, creating 200 construction jobs and 125 new permanent jobs.

"Getting this much-anticipated project underway is in keeping with the intention of the American Recovery and Reinvestment Act," said NYCCRC Chairman Seth W. Pinsky. "The approved financing will allow construction to begin, creating invaluable construction and permanent jobs for area residents. The project is further proof of the city's on-going commitment to enhancing economic activity on Staten Island."

Staten Island Terminal, LLC had been seeking conventional construction financing to begin work at the site; however, due to current economic conditions, such financing is not currently available. This allocation of ARRA bonds will enable the project to get underway this year, with an expected completion date in 2012.

Congress passed the American Reinvestment and Recovery Act (ARRA) in February 2009. The allocation of ARRA Bonds is intended to promote economic development and diversification, job growth, environmental sustainability, and other activity in areas of New York City faced with significant poverty, home foreclosure rates, and general distress stemming from the economic downturn. Staten Island Terminal, LLC is located in a Recovery Zone and meets those criteria.

"The Staten Island Terminal is a job engine and a great example of the American Recovery and Reinvestment Act boosting the economy by creating and sustaining over 300 jobs here in Staten Island," said Senator Charles E. Schumer. "I am pleased that this project is underway and will put Staten Islanders to work."

"I am thrilled that we have been able to help Staten Island Terminal, LLC secure this financing from the American Recovery and Reinvestment Act," said Congressman Michael E. McMahon. "Since I took office over one year ago, I have fought to make the creation of good paying jobs my top priority. That was the primary reason why I voted for the Recovery Act and this is a great example of how it is putting people back to work. The Recovery Act funding allows this project to commence construction in the coming months and will create more than 300 jobs here on Staten Island. I would like

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